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**Remarks of President
Eliot.. Before the Recess
Committee on Taxation**

1906

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REMARKS

OF

PRESIDENT ELIOT OF HARVARD UNIVERSITY

BEFORE

THE RECESS COMMITTEE ON TAXATION
MASSACHUSETTS LEGISLATURE
OCTOBER 23, 1906

WITH AN APPENDIX CONTAINING SOME EXTRACTS
FROM PUBLIC DOCUMENTS

CAMBRIDGE
1906

REMARKS
OF
PRESIDENT ELIOT OF HARVARD UNIVERSITY
BEFORE THE RECESS COMMITTEE ON TAXATION, OCTOBER 23,
1906, WITH AN APPENDIX CONTAINING SOME EXTRACTS
FROM PUBLIC DOCUMENTS

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE:—

There are two ways in this world to carry on the higher educational institutions; only two ways have ever been invented and successfully used. One way is by direct support of the Government. In various parts of the world all forms of government have used successfully that direct method of supporting the higher institutions of education. That can be done in this country—is done in this country. Most of the western states tax themselves heavily every year for the support of their universities and of their normal and technical schools. That is one method—the direct taxation method—always effective, and far the quickest for a new community. (See Appendix I.) The other method is the method which was used by the first settlers on this spot, the men who came over from England to Massachusetts Bay. You were informed this morning by rather a romancing historian that this method was invented in Massachusetts about the time of the adoption of the Constitution. Here is an error of more than a century. The charter given to Harvard College in 1650 contains a complete exemption of Harvard College “from all civil impositions,” including exemption of its students and teachers from military service. Moreover, this policy of exemption is a part of the only other method—beside direct governmental support—of maintaining the institutions of higher education, namely, the endowment method. What is the essence of that method? It is nothing but offering an inducement to public-spirited, private persons to give their money, chattels, lands, or buildings for the public use called higher education. That is exactly what the settlers in Massachusetts Bay offered. They offered the inducement to the public-spirited men and women who were ready to give their private money and property to the support of the higher education, that, if they did so, then such property should be forever exempted from assessment for other public uses. The Government of the Colony

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agreed that the moneys given by private persons for education should forever be exempted from assessment for other lower public uses, like highways, sewers, courts, and prisons. That is the entire meaning of the exemption,— private money set aside for public use shall not be assessed thereafter for lower public uses or any other public uses. (See Appendix II.)

How successful this policy has been in Massachusetts! The schools, the Normal Schools, Technical Schools, Colleges, and Professional Schools in Massachusetts, both for men and women, are unexcelled to this day in the United States. Harvard University is the largest, richest, and strongest university in this country at this moment, in spite of the fact that there are a dozen state universities which have their hands in the public treasury, and have had their hands in the public treasury, many of them, for more than a generation. Where did the Normal Schools begin? Right here in Massachusetts and in this State House, through a private benefaction. Massachusetts started them. Massachusetts has fed them. What state has as good a technical school as Massachusetts in the Institute of Technology? What built that? Private money, with the aid of the State,—exempted private money, because the State agreed that the money given for that great public use should not be charged for other lower public uses.

This, then, is the original, logical, and very productive Massachusetts policy with regard to the support of higher education. Now this doctrine and this practice have been accepted by every town in Massachusetts which has ever had occasion to consider the question, "Can we get a college, or an academy, or a normal school into this town?" There never has been a town or city in Massachusetts that did not welcome these institutions of higher education. I had occasion last spring to refer to the fact that when it was proposed to establish one more normal school in Massachusetts, the Legislature, without waiting for the advice of the Board of Education which had asked for but one, established four new normal schools. Why? Because there was such a competition for that one normal school that the Legislature found it more convenient to establish four. This, then, is a solid fact which I hope will be appreciated by the Committee, that this policy for the establishment and support of higher education has always, to this day, been believed in and accepted by the towns and cities of Massachusetts. As to Cambridge, the seat of Harvard University, the town gave the first land which the College occupied, and many times over during the first one hundred and fifty years repeated a gift of land to Harvard University.

Nevertheless, with the growing difficulties concerning taxation in general, difficulties which we all admit, difficulties which many of us hope this Committee is going to struggle with successfully, there has undoubtedly arisen a question about the incidence of this so-called burden, the exemption from taxation. Nobody doubts that the exemption policy of Massachusetts has been a fruitful and wise policy; but questions have arisen in many minds as to whether it would not be better, for example, for Massachusetts to vote annually — say — \$500,000 a year as direct grants to the institutions of higher education rather than to give them this indirect advantage of exemption from local taxation. That might conceivably be a question, as Mr. McLeod said, of the incidence of taxation. Let me next discuss this incidence of taxation which is suspected to be unjust.

In the first place, I venture to ask your attention to the proposition that there is no burden whatever on the towns and cities which contain institutions of higher education, — absolutely none; no burden at all, but, on the contrary, enrichment and elevation for all the towns and cities in Massachusetts which have the happiness of containing these institutions.

I have heard to-day and on many days in past years the attention of Committees and Commissions on this subject called to the fact that in many of our towns and cities very large amounts of property are exempted for churches, colleges, technical schools, etc.; and these large sums are rolled off the tongue with great unction, and it sounds as if there were an argument somewhere behind the figures, namely, that these large exempted amounts involve some burden. For instance, there are \$25,000,000 of property returned as exempted in the city of Cambridge. It sounds large. Then we are to consider that in thirty years more that sum will be \$50,000,000 perhaps, and in one hundred years \$100,000,000. It sounds as if the exemption of such large values were going to be a burden. Yet there is not, and there will not be, one atom of burden on the city of Cambridge. To illustrate — Harvard University owns in one of the wards of Cambridge, called Ward 8, from 75 to 80 acres of ground, on which there is no taxation. But if Harvard University were not there, some one will say, there would be shops and houses all over those 80 acres, from which large taxes would be derived. In the first place, whether those 80 acres would have been profitably occupied with houses or shops is guess work. It is extremely doubtful if there would have been any more taxable houses or shops in Cambridge without the College than there are now with the College; for

there is still much unoccupied land in the city, as in all Massachusetts cities and towns. But some things we do know. For example, we know that in Ward 8, where the College is, if you add to the exempted area of the College three times as much land all about this exempted area, and then take the average value of that total for taxation purposes, exempted area and all, one-fourth exempted and the other three-fourths taxed, you arrive at a higher average value of land than exists anywhere else in the City. Where is the burden? The city gets more taxes from that Ward 8 than from any other equal area in Cambridge, in spite of, or rather because of, the exemption. Is there any burden resulting from the exemption? On the contrary, the city of Cambridge has distinctly profited, so far as taxable values go, from the presence of Harvard University with its exempted area of 80 acres.

Secondly, I ask your attention to the effect of the exempted properties in different cities and towns of the Commonwealth on the rates of taxation in those towns. One would imagine, if the presence of exempted values were a burden, that the rate of taxation in towns and cities heavily burdened in that sense would be higher, distinctly higher, than in towns and cities that had no such exempted values, or had much smaller values exempted. If the exemption is a burden to the town or locality, surely large exemptions ought to result in higher tax-rates; because all towns and cities are struggling after comfortable conditions within their territory, and the tax-rate which they find themselves able to collect is presumably a rate which gives them the comfortable conditions they desire,—not everything they desire, of course, but a fairly comfortable mode of existence. Now, as a matter of fact, there is no relation whatever between the tax-rate of any city or town and the amount of property exempted therein for churches, schools, colleges, technical schools, and charities. (See Appendix III.) I will compare together, in the first place, the city of Cambridge, which has a population of 97,000, and the city of Lowell, which has a population of 95,000. The assessable property in Cambridge in 1905 was \$104,000,000. The assessable property in Lowell was \$72,000,000, or nearly three-fourths of the assessable property in Cambridge. Let us look at that fact to begin with. It seems that Cambridge has more property per capita than Lowell; yet Lowell is full of great factories. That is in itself a favorable indication that Cambridge is on the whole pretty well off in regard to the amount of her assessable property. This is not an isolated fact. In Amherst, Northampton, and Williamstown, three towns whose condition has been represented before the Committee as

singularly unfortunate, the percentage of their taxable property to the taxable property in the counties in which they are severally situated is higher than the percentage of their taxable individuals to the total of taxable individuals in their respective counties. (See App. IV and VI.) But how about the exempted property in those two cities? In Cambridge there are exempted, according to the returns of the assessors, \$25,000,000 and upwards. In Lowell there are only \$3,000,000 exempted, less than an eighth part of the Cambridge exempted value. What a tremendous advantage Lowell must have, if the exemption is a burden. Is there any escape from that logic? If there is any connection at all between low exempted values and a low rate of taxation, what an advantage Lowell must have over Cambridge with exempted property of only about \$3,000,000, when Cambridge has exempted property of about \$25,000,000. What is the fact about the tax-rates? In Cambridge in 1905 it was \$19, in Lowell \$20; in 1906 in Cambridge it was \$18.60, in Lowell it was \$19.60. How, then, is it possible to believe that the exemption brings a burden upon the community where that exemption takes effect?

Let me compare two other places of about equal population, Amherst and Easthampton. Easthampton has rather more people. It has slightly more assessable property, almost \$200,000 more; but Easthampton has only \$584,000 exempted property, whereas unfortunate Amherst has nearly \$3,000,000 exempted. This must be a tremendous burden on Amherst according to the theory we have heard here to-day. But what are the tax-rates? In Amherst it was \$16.25 in 1905, and the same rate in 1906; in Easthampton it was \$17 each year, or higher than in Amherst. Does anybody suppose that Amherst does not live as well as Easthampton? Those who visit the two towns know better than that.

Now let us compare Williamstown with Provincetown, two towns approximately equal in population. Williamstown has about \$3,000,000 of assessable property, and Provincetown nearly \$2,000,000; but the unfortunate Williamstown has over \$2,000,000 of exempted property, whereas the fortunate Provincetown has only \$50,000 of exempted property. Some one said it was best to compare such figures in percentages. The exempted property in Williamstown is 70% of the assessable property, whereas in Provincetown the exempted property is only 2½% of the assessable property. What a great disadvantage Williamstown must be under! Yet the tax-rate in Williamstown in 1905 was \$18.80, and in Provincetown \$20; and in 1906 in Williamstown it was \$18.70, and in Provincetown

\$19.50. Again the lower rates in the town where a college is situated, and which has exempted property amounting to 70% of its assessable property. It is a significant fact, considering the lamentable picture painted here of the condition of Amherst and Northampton, that both towns had tax-rates in 1904 lower than the average tax-rate in Hampshire County.

I will put this matter in one other form. Cambridge is said to have \$25,000,000 of exempted property. Now suppose some benefactor or benefactors should give Harvard University to-morrow \$20,000,000. Much of that sum would ultimately get into Cambridge as exempted property in buildings, collections, and apparatus; but the assessable property in Cambridge would not be diminished, but on the contrary much increased, because the University would be made richer and better and would have more teachers, students and workmen whose expenditures would increase the business done in the city and therefore its tax receipts. We are now looking for the great Gordon McKay bequest of \$5,000,000, and we know some of that must go into such "plant." Now will the "burden" on Cambridge be increased when that Gordon McKay bequest comes in? Its assessable property will not be diminished. In what possible way will the "burden" of Cambridge be increased? In no way. On the contrary, there will be a larger, better equipped, more resorted to, educational establishment in Cambridge, and the city will receive an increase of the many benefits which it now derives from the University. (See Appendix V.)

I was anxious to make as clear as I could this proposition that the towns and cities in which there are large exemptions for churches, hospitals, colleges, etc., have absolutely no burden to bear,—none. That is the logic of the situation; moreover, it is the result of experience, the experience of Massachusetts since 1630.

I now want to touch upon some matters of detail which were referred to this morning by the advocates of this little bill. I am sure the Committee perceive clearly that this is a limited attack, on a small scale, on a principle and method of eminent significance and value; it is a petty attack on a principle which has made Massachusetts what it is. It is an attack on only three sorts of college property,—professors' houses, dormitories, and dining-halls. I have heard nothing said lately about taxing dining-halls; probably because a good many difficulties have occurred to the advocates of this measure in regard to taxing college, academy, and seminary dining-halls. The question was asked repeatedly this morning: "Why not tax a professor's house or president's house if you tax a parsonage

or priest's house? You do tax a parsonage or priest's house; why not tax, therefore, the president's house or the professor's house?" That is a fair question; but the answer is very plain. The parsonage or priest's house is not necessary to the church. A church can always get along very well without owning a parsonage. Indeed, it is a small minority of churches that own parsonages. On the other hand, it has been proved by experience, in many places and at many epochs, that it is necessary to the success of a college, academy, or seminary that there should be a house for the president or principal, and in some cases houses for the professors. For example, Tufts College, concerning which we had such a witty and wise piece of testimony this morning, could not have been established by any possibility on that bare, bleak, treeless hill, without building at the start a president's house and professors' houses. It was equally necessary to build a dormitory and a dining-room. The new institution could not be started without these provisions. That is one solid reason for exempting the president's or principal's house and professors' houses, when parsonages are not exempted. In some places this issue is a very small one to-day; in others it is vital. You need not hesitate, gentlemen, out of consideration for Harvard College, to force the Corporation to dispose of the five or six professors' houses they still own. They are burdensome pieces of property, and are no longer needed for professors. They are desirable, however, for a few deans or other administrative officers. A house for the President still seems a necessity at Harvard, as at other similar institutions. I may add that, seeing this necessity, the poor Province of Massachusetts, in 1726, paid more than half the cost of building a handsome president's house at Cambridge. Are we going back on that, gentlemen? Is there a man here who would be willing to go back in these prosperous days on that act of the Province of Massachusetts in the time of its poverty?

There is another reason that parsonages and priests' houses are taxed, while presidents' and professors' houses are not. We, of course, ought to talk as plainly as possible here. The reason is that there is not so much consent or agreement on the expediency of maintaining the ministers of the different Protestant denominations, the priests of the Roman Church or the Greek Church, and the rabbis of the Jews as there is on the expediency of maintaining the colleges in all their functions. Most citizens think their own church is clearly an institution of public utility; but many are doubtful whether as much can be said for some other church or churches. This lack of consent on the public utility of all churches is the second explanation of the fact that parsonages are taxed in Massachusetts.

There was reference this morning to the athletic field of Smith College, and then some disparaging allusions were made to the athletic fields of Harvard and to their history and uses. Harvard's principal playground now lies in Boston, on the right bank of Charles River. It was the gift of an eminent citizen of this Commonwealth, who bought it with his private money, and gave it to the University. He bought an area contiguous to a large marsh which lay across the river opposite the residence of Longfellow, on Brattle Street, Cambridge. Longfellow loved the prospect from his windows, and wanted to have the marshes kept open forever for public enjoyment. So he and some friends of his bought those marshes and gave them to the University. Such were the honorable sources of the great playground called the Soldier's Field. Why did Major Higginson make that costly gift to the College? For one thing, he believed in the doctrine that the Duke of Wellington preached, when he said that Waterloo was won on the playgrounds of Eton College. To emphasize his belief in that proposition Mr. Higginson put up on Soldier's Field a monument to some dear friends of his, all of whom gave their lives to the country in the Civil War. Is there anybody in Massachusetts who would consent to the taxation of that Field? Is there anybody who does not believe that such fields are essential to the proper training of our educated young men for public service and private usefulness? But I have heard it said by the advocates of this little bill that \$80,000 was taken on that Field in a single day from people who paid \$2 apiece to witness a game of foot-ball. True, perfectly true; but where did that money go to, that \$80,000? Did any of it go into a private pocket? No. Was any of it used except for the promotion of athletic sports at the competing colleges and the development of that Field? Not a dollar. The whole of that sudden receipt was consecrated to this public use of education,—of bodily education, if you please, an essential part of that education. It is moral education, too; for courage, public spirit, fidelity, and self-sacrifice are taught there. In short, we teach on that Field, through the acts of the Poet Longfellow and Major Higginson, what public spirit accomplishes. The Field itself is a striking illustration of Massachusetts public spirit, consecrating private property to noble public uses.

We had some playgrounds before the Soldier's Field. The first one I knew, now nearly sixty years ago, was a little triangle of ground which lies north of the College, between Cambridge Street and Kirkland Street, a small piece of ground, about two acres in area. That had sufficed the College for many, many years; but

one day a committee of the subscribers to Memorial Hall wanted to put up that memorial to the services of Harvard graduates and students in the Civil War on that enclosure. Thereupon friends of the College raised money, and bought another field, farther to the north, a larger one, called Jarvis Field; in order that Memorial Hall might be built on the first playground of the College. It was suggested this morning that the athletic fields of to-day might, a hundred years hence or fifty years hence, be used for other purposes. On that account it was doubted whether they ought to be exempted from taxation. Taking the delta to the north of the present site of Harvard College as a sample of the former athletic fields of the University, and admitting that the University has grown great from small and poor beginnings, can one conceive of a better use of an old athletic field than to put Memorial Hall on it? Can any one of us conceive of taxing Memorial Hall or the enclosure in which it stands? Is that a conceivable proposition in Massachusetts? It is a dining-hall in which young men eat at cost. They divide the total costs among themselves. There is absolutely no profit for anybody; there is no profit which can be applied to other public uses of the College. A poor boy can eat there for \$2.80 a week, and a somewhat richer boy can spend \$4 if he likes, and the careless boy can spend more. They are all free to spend what they wish or can afford. Where else can a vigorous young man feed himself sufficiently on \$2.80 a week? I do not know any club, restaurant, or boarding-house where a man can live as cheaply as he can at Memorial Hall or Randall Hall. Is that a help to that newsboy who got a scholarship in Harvard College the other day, or not? He simply could not afford to go to Harvard College even with a scholarship without such help in procuring his food.

We heard a good deal this morning about institutions of learning that make a profit. We even heard once about making so much profit per student. I think Smith College was supposed to make a profit per girl, because the girls paid \$8 or \$9 per week for board and lodging. In such transactions there is no profit in the mercantile sense. If it does not cost quite \$8 or \$9 per week to lodge and feed the girls in Smith College, if some College house in the course of a year clears a little surplus of receipts over expenditures, every dollar of that surplus goes to a public use, goes into the work of Smith College. I hope that this misleading use of the word profit in connection with college receipts and expenditures will be observed by the Committee.

We even heard that the property of colleges in dormitories, dining-halls, and athletic fields was used for business purposes, the implication being that all business should be taxed. I want to illustrate the fallacy under that representation. Opposite the College Yard in Cambridge, across the street called Massachusetts Avenue, are two large contiguous brick buildings. They are both used mainly for the accommodation of students; but on the first story there are stores or shops and offices. Above are students' rooms. The entire net income of one of those buildings goes to a private person, the son of a gentleman who long lived in Cambridge and built up an honorable and successful business in Boston. The net income from the other building,—and you would not notice much difference between the two in position, quality, or use,—goes to Harvard University. Now that second building is exempt from taxation, and the first is not exempt. Why? Because all the receipts from the second building go to a public use, the promotion of higher education, while the receipts from the first building go straight to a private use. That is the fundamental difference between what was here called money-making or a business carried on by a college, and money-making or a business in the same line carried on by a private person. In one case the net income goes to a public use, in the other to a private use. Exemption is given only when the whole net proceeds are applied to a public use. This is never true of an industrial or commercial establishment or of a transportation company. Such establishments are usually of advantage to the communities in which they are situated; but their net profits go to private uses.

Allusion was made in the remarks of the last speaker to the propriety of taxing students on their lodgings or their meals, because it would be a good lesson for students to pay taxes, and to know that they paid taxes, so that they should not grow up tax dodgers. Now, gentlemen, that rash suggestion carries us down to the very roots of the enormous subject which has been committed to you for study. What are the legitimate objects of taxation? Only productive things and persons and their products. The things which earn should be taxed for the support of public objects, unless the earnings are already devoted to a public object. Now these students in girls' colleges, boys' colleges, and technical schools are not earning anything. On the contrary, their time has been given up by their parents that they may study and so improve their power to earn. They are not yet legitimate objects for taxation of any sort.

I want to touch finally one general principle with regard to exemptions. We have learned,—I think the greater part of the population

of Massachusetts has learned within the last ten years,— that reservations from taxation are not bad, burdensome, wasteful things, but on the contrary that they are highly profitable and precious things; and that the question really is not how few reservations a community can get along with, but how many they can indulge in. The long and short of it is, gentlemen, that the things which make it worth while to live in Massachusetts, to live anywhere in the civilized world, are precisely the things which are not taxed; the things exempted are the things which are in the highest degree profitable to the community. Just consider what our life would be without the exempted institutions of Massachusetts, the colleges, museums, churches, schools, hospitals, courts, libraries, gardens, commons, parks, all the parks,— Boston's, Cambridge's, and the Metropolitan, and the parks of the Trustees of Public Reservations. Just think what our life would be if all these things were swept away. What would become of family life, of social life, of public enjoyment and private happiness? We get through these exempted institutions the joys and satisfactions and the upward tendencies which make life worth living. Let nobody persuade you for a moment that these invaluable reservations from taxation are a burden on the public; they are what make the common life worth living.

APPENDIX

APPENDIX I

In the following states, appropriations either State or City were made during the year 1903-04 for the maintenance of institutions for higher education, including both current expenses and appropriations for buildings or other special purposes: —

California	\$567,746
Colorado	140,000
Georgia	136,900
Illinois	630,200
Indiana	180,000
Iowa	285,500
Kansas	220,000
Michigan	448,525
Missouri	330,547
Nebraska	282,250
New York	308,203
Ohio	575,781
Pennsylvania	344,540
Texas	165,000
Wisconsin	471,500

These figures are taken from the report of the Commissioner of Education for 1904 and do not include appropriations for schools of technology.

APPENDIX II

EXTRACT FROM A LETTER WRITTEN BY PRESIDENT ELIOT DECEMBER 12TH, 1874, TO THE COMMISSIONERS OF THE COMMONWEALTH APPOINTED "TO INQUIRE INTO THE EXPEDIENCY OF REVISING AND AMENDING THE LAWS OF THE STATE RELATING TO TAXATION AND THE EXEMPTIONS THEREFROM." (*House Doc. No. 15, 1875, p. 369.*)

The property which has been set apart for religious, educational and charitable uses is not to be thought of or dealt with as if it were private property; for it is completely unavailable for all the ordinary purposes of property, so long as the trusts endure. It is like property of a city or state which is essential for carrying on the work of the city or state, and so cannot be reckoned among the public assets; it is irrecoverable and completely unproductive. The capital is sunk, so to speak, just as the cost of a sewer or a highway is capital sunk. There is a return, both from a church or a college, and from a sewer or a highway, in the benefit secured to the community; but the money which built them is no longer to be counted as property, in the common sense. It can never again be productive, except for the purposes of the trust for which it was set apart.

When a new road is made where there was none, the State, or some individual, sacrifices the value of the land it covers, and the money spent in building the road. It also sacrifices the opportunity to tax, in the future, the improvements which might have been put upon that land if it had not been converted into a road, and all the indirect taxable benefits which might have been derived from the use for productive purposes of the land, and of the money which the road cost. When a church, or a college, or a hospital, buys land, and erects buildings thereon, the State does not sacrifice the value of the land, or the money spent upon the buildings; private persons make these sacrifices; but the State does sacrifice, by the exemption statute, the opportunity to tax, in the future, the improvements which might have been put upon that land if it had not been converted to religious, educational or charitable uses, and all the indirect taxable benefits which might have been derived from the use for productive purposes of the land, and of the money which the buildings cost.

This is the precise burden of the exemption upon the State. Why does the State assume it? For a reason similar to, though much stronger than, its reason for building a new road, and losing that area forever for taxation. The State believes that the new road will be such a convenience to the community, that the indirect gain from making it will be greater than the direct and indirect loss. In the same way the State believes, or

at least believed when the exemption statute was adopted, that the indirect gain to its treasury which results from the establishment of the exempted institutions is greater than the loss which the exemption involves. If this belief is correct in the main, though not perhaps universally and always, the exemption can hardly be properly described as a burden to the State at large.

The parallel between a sewer or a highway, on the one hand, and land and buildings of exempted institutions, on the other, may be carried a little farther with advantage. The abutters often pay a part of the cost of the sewer or the highway which passes their doors, because it is of more use to them than to the rest of the inhabitants, and the members of the religious, educational or charitable society erect their necessary buildings and pay for their land themselves. If it be granted that the religious, educational or charitable use is a public use, like the use of a sewer or a highway, there is no more reason for taxing the church, the academy or the hospital, than for annually taxing the abutters on a sewer or a highway on the cost of that sewer or on the cost of the highway and its value considered as so many feet of land, worth, like the adjoining lots, so many dollars a foot. The community is repaid for the loss of the taxable capital sunk in the sewer by the benefit to the public health, and the resulting enhancement of the value of all its territory. In like manner, it is repaid for the loss of the capital set apart for religious, educational and charitable uses, by the increase of morality, spirituality, intelligence and virtue, and the general well-being which results therefrom. To tax lands, buildings, or funds which have been devoted to religious or educational purposes, would be to divert money from the highest public use, — the promotion of learning and virtue, — to some lower public use, like the maintenance of roads, prisons or courts, an operation which cannot be expedient until too large an amount of property has been devoted to the superior use. This is certainly not the case in Massachusetts to-day. The simple reasons for the exemption of churches, colleges and hospitals from taxation are these: first, that the State needs those institutions; and secondly, that experience has shown that by far the cheapest and best way in which the State can get them is to encourage benevolent and public-spirited people to provide them by promising not to divert to inferior public uses any part of the income of the money which these benefactors devote to this noblest public use. The statute which provides for the exemption is that promise.

APPENDIX III

COLLEGE TOWNS HAVE NO HIGHER TAX-RATES THAN NON-COLLEGE TOWNS

	1905	1905	1905 & 1906		January 1
	Population ¹	Assessable Prop. ²	Tax Rate ³	\$	Exempted Prop. ³
Cambridge	97,434	\$103,845,600	\$19.00	\$18.60	\$25,377,063
Fall River	105,762	81,754,247	18.80	18.40	2,764,000
Worcester	128,135	120,865,502	17.00	16.60	5,922,900
Lowell	94,889	71,632,643	20.20	19.60	3,119,751
Lawrence	70,050	46,235,468	16.80	16.00	1,529,625
Springfield	73,540	80,904,477	15.40	15.00	3,619,193
Lynn	77,042	56,157,073	18.40	17.00	1,515,100
New Bedford	74,362	64,349,661	19.40	18.40	2,436,860
Amherst	5,313	3,599,900	16.25	16.25	2,909,099
Ware	8,594	4,398,210	19.70	18.00	214,074
Easthampton	6,808	3,781,772	17.00	17.00	583,735
South Hadley	5,054	2,529,372	21.00	16.50	1,553,850
Northampton	19,957	12,739,859	17.00	16.50	4,416,607
North Adams	22,150	14,862,527	22.00	20.00	847,000
Pittsfield	25,001	18,330,223	18.50	18.50	1,446,754
Medford	19,686	21,240,150	21.40	20.20	1,119,700
Andover	6,632	5,902,668	16.00	17.50	1,873,061
North Andover	4,614	4,462,302	17.50	18.00	64,200
Methuen	8,676	5,178,157	19.30	19.00	118,050
Amesbury	8,840	5,346,227	17.70	18.80	382,692
Saugus	6,253	4,555,686	18.70	19.80	77,358
Danvers	9,063	5,341,280	18.00	19.20	234,608
Rockport	4,447	3,051,252	21.00	18.00	67,000
Williamstown	4,425	3,035,747	18.80	18.70	2,120,203
Lee	3,972	1,918,865	18.32	18.05	59,725
Dalton	3,122	3,017,700	14.70	15.70	93,650
Provincetown	4,362	1,928,920	20.00	19.50	50,000
Monson	4,344	1,698,168	16.20	17.00	245,613
Belmont	4,360	5,602,650	19.90	18.00	1,664,629
Lexington	4,530	5,957,670	20.40	19.00	131,950
Needham	4,284	4,503,731	18.00	18.50	76,455
Warren	4,300	1,762,743	21.50	19.60	105,300

¹ Massachusetts census of 1905.

² Massachusetts Public Document No. 19 of 1905; official returns on file with the Secretary of the Commonwealth.

³ Report of Massachusetts Tax Commissioner, for the year ending December 31, 1904.

APPENDIX IV

IN COLLEGE TOWNS THE PERCENTAGE OF THEIR TAXABLE PROPERTY TO THAT OF THE WHOLE COUNTY IS HIGHER THAN THE PERCENTAGE OF THEIR TAXABLE INDIVIDUALS TO THE NUMBER OF TAXABLE INDIVIDUALS RESIDING IN THE COUNTY

City or Town	County	Tax Rate per \$1000	Average Tax Per \$1000 of Assessable Property	Average Tax Rate of County outside City or Town in Tabulation per \$1000 of Assessable Property	Percentage of Taxable Individuals Residing in County	Percentage of Population of the County	Percentage of Taxable Property in County
Amherst	Hampshire	\$16.25	\$17.04	\$17.21	8.84 %	8.54 %	10.01 %
Northampton	Hampshire	17.00	17.04	17.21	30.53 %	32.07 %	35.46 %
Williamstown	Berkshire	18.80	18.08	18.00	4.17 %	4.50 %	4.44 %
Cambridge	Middlesex	19.00	18.34	18.19	15.17 %	16.01 %	18.21 %
Andover	Essex	16.00	16.80	16.81	1.57 %	1.74 %	1.92 %

Compiled from Public Document No. 19 of 1905

APPENDIX V

**TAXED AND UNTAXED LODGINGS FOR STUDENTS OF THE CAMBRIDGE DEPARTMENTS OF
HARVARD UNIVERSITY IN 1866-67 AND IN 1906-07
(RADCLIFFE COLLEGE NOT INCLUDED)**

	In College Halls (untaxed)	In Private Halls (taxed)	In Private Halls (taxed)	In private houses (taxed)	Not lodging in Cambridge	Totals	
	1866-67	1906-07	1866-67	1906-07	1866-67	1906-07	1866-67
Undergraduate departments.							
Harvard College and the Lawrence Scientific School . . .	309	707	13	883	145	537	13
Graduate departments.						325	480
Graduate School of Arts and Sciences and Graduate School of Applied Science	1	110	1	29	6	192	· ·
Divinity School	12	16	· ·	2	1	16	2
Law School	8	123	1	162	129	338	19
Totals	330	956	15	1076	281	1083	34
						484	660
						3599	3599

[From the annual Catalogues of Harvard University]

This table shows that there are now 2159 students in taxed lodgings in Cambridge against 296 in 1866-67, or more than seven times as many as in 1866-67.

Of the 3599 students now in the Cambridge departments as above about 2000 get their meals in Memorial Hall and Randall Hall, including many who do not lodge in Cambridge. Making allowance for those who take no meals in Cambridge, there remain about 1300 students who get most of their meals in restaurants and houses taxed in Cambridge, or twice as many as boarded in Cambridge in 1866-67. The laundry work of nearly 3000 students is also done now in taxed houses and shops in Cambridge, whereas in 1866-67 there were only 626 students to offer that kind of employment to Cambridge residents.

The obvious inference from the above figures is this — to increase the benefits which an educational institution confers on the town in which it is situated, the best way is to make the institution itself better and stronger, so that it may always be getting more and more teachers, students, and employees.

APPENDIX VI

**EXEMPTION DOES NOT DIMINISH THE VALUE OF TAXABLE
REALTY IN COLLEGE TOWNS AS COMPARED
WITH OTHER TOWNS**

THE FIGURES ARE FOR 1905

Town	Population	Value of Taxable Real Estate	Per Capita Value of Taxable Real Estate	Tax Rate
Cambridge	97,434	\$87,851,500	\$901.60	\$19.00
Fall River	105,762	50,219,900	474.80	18.80
Worcester	128,135	95,669,850	745.80	17.00
Lowell	94,889	57,208,845	602.90	20.20
Lawrence	70,050	36,224,000	517.10	16.80
Springfield	73,540	63,273,330	860.80	15.40
Lynn	77,042	46,130,000	598.70	18.40
New Bedford	74,362	40,293,975	541.80	19.40
Somerville	69,272	53,392,000	770.70	18.80
Amherst	5,818	2,726,060	513.00	16.25
Ware	8,594	3,838,805	388.50	19.70
Easthampton	6,808	2,834,380	416.80	17.00
South Hadley	5,054	2,144,710	424.80	21.00
Northampton	19,957	10,231,750	512.70	17.00
North Adams	22,150	12,065,012	544.60	22.00
Pittsfield	25,001	18,813,825	552.50	18.50
Medford	19,686	18,393,550	934.80	21.40
Cambridge	97,434	87,851,500	901.60	19.00
Somerville	69,272	53,392,000	770.70	18.80
Malden	38,037	25,128,200	660.60	17.20
Everett	29,111	19,951,150	685.80	17.80
Chelsea	37,289	22,497,950	603.30	19.00
Medford	19,686	18,393,550	934.80	21.40
Revere	12,659	11,888,600	939.10	22.00
Williamstown	4,425	2,680,575	605.80	18.80
Adams	12,486	3,557,875	285.00	18.00
North Adams	22,150	12,065,012	544.60	22.00
Dalton	3,122	1,621,581	519.40	14.70
Great Barrington	6,152	3,767,890	612.40	18.50
Lee	3,972	1,424,438	358.60	18.32

DATE DUE

A black silhouette of a person sitting on a sled, facing right, with their arms outstretched. The sled has two sets of runners.

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